

# **2013 DRAFTING REQUEST**

## **Bill**

Received: 11/13/2012 Received By: jkreye  
 Wanted: As time permits Same as LRB:  
 For: Garey Bies (608) 266-5350 By/Representing: cory  
 May Contact: Drafter: jkreye  
 Subject: Tax, Business - miscellaneous Addl. Drafters:  
 Extra Copies:

Submit via email: YES  
 Requester's email: Rep.Bies@legis.wisconsin.gov  
 Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

## **Pre Topic:**

No specific pre topic given

## **Topic:**

Surety bond posted by an entertainer

## **Instructions:**

See attached

## **Drafting History:**

| <u>Vers.</u> | <u>Drafted</u>       | <u>Reviewed</u>    | <u>Typed</u>          | <u>Proofed</u> | <u>Submitted</u>    | <u>Jacketed</u>       | <u>Required</u> |
|--------------|----------------------|--------------------|-----------------------|----------------|---------------------|-----------------------|-----------------|
| /?           | jkreye<br>11/13/2012 | jdye<br>11/13/2012 |                       |                |                     |                       |                 |
| /1           |                      |                    | jmurphy<br>11/13/2012 |                | srose<br>11/13/2012 | lparisi<br>11/13/2012 | State           |

FE Sent For:

03-07-2013  
 ("1")

<END>

Requested by Cory Bruce

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|--------------|----------------------|---------------------|--------------|----------------|---------------------|-----------------|-----------------|
| /?           | jkreye<br>11/13/2012 | jdyer<br>11/13/2012 |              |                |                     |                 |                 |
| /1           |                      |                     | 11/13/2012   |                | srose<br>11/13/2012 |                 | State           |

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|--------------|----------------|-----------------|--------------|----------------|------------------|-----------------|-----------------|
| /?           | jkreye         | 11/13 jld       |              | Jan 11/13/12   |                  |                 |                 |

FE Sent For:

<END>



State of Wisconsin  
2011 - 2012 LEGISLATURE

2013 BILL



LRB-4334/P1

JK:jld:jf

Stays

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

PWF  
NDF 11/13/12

m 11-13-12

Today

0542/1

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Gen

1

AN ACT *to amend* 71.80 (15) (b) of the statutes; **relating to:** an entertainer's

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surety bond.✓

***Analysis by the Legislative Reference Bureau***

Under current law, generally, if an entertainer enters into a contract to perform in this state and the total amount paid to the entertainer under all such contracts is more than \$3,200✓ in the taxable year, the entertainer must file a bond with the Department of Revenue (DOR)✓ as a guarantee that the entertainer will pay all taxes related to the entertainer's performance in this state. The bond amount is 6 percent of the total contract price.

Under this bill, an entertainer must file a bond with DOR✓ if the total amount paid to the entertainer under all contracts to perform in this state is more than \$7,000✓ in the taxable year.

For further information see the *state*✓ fiscal estimate, which will be printed as an appendix to this bill.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

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SECTION 1. 71.80 (15) (b)✓ of the statutes is amended to read:

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71.80 (15) (b) All entertainers, except entertainers who work for an

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entertainment corporation, and entertainment corporations not otherwise employed

1 or regularly engaged in business in this state shall file a surety bond with the  
2 department of revenue at least 7 days before a performance. That bond shall be  
3 payable to the department to guarantee payment of income, franchise, sales and use  
4 taxes, income taxes withheld under subch. X, penalties and interest. The amount of  
5 the bond shall be 6% of either the total contract price on all contracts that exceed  
6 ~~\$3,200~~ \$7,000✓ or, if the total contract price is not readily determinable and the  
7 department's estimate of the total remuneration to be received by the entertainer or  
8 entertainment corporation exceeds ~~\$3,200~~ \$7,000✓, 6% of the department's estimate.  
9 Amounts previously earned in this state by an entertainer or entertainment  
10 corporation during the same calendar year for which no bond or cash deposit has  
11 been filed under this paragraph or for which no amounts have been withheld under  
12 s. 71.64 (5) shall be added together to determine the total contract price. The  
13 department shall approve the form and content of the bond. The bond shall remain  
14 in force until the liability under the bond is released by the department.

15 **SECTION 2. Initial applicability.**

16 (1) This act first applies to taxable years beginning on January 1, 2013.✓

17 (END)

**Kreye, Joseph**

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**From:** Bruce, Cory  
**Sent:** Monday, November 12, 2012 1:35 PM  
**To:** Kreye, Joseph  
**Subject:** FW: Non-Resident Entertainer Tax

Hi Joe,  
Can we have this bill redrafted?

Thanks,  
Cory

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**From:** Bruce, Cory  
**Sent:** Friday, June 22, 2012 12:24 PM  
**To:** Kreye, Joseph  
**Subject:** RE: Non-Resident Entertainer Tax

We do it want it for next session, so I'll set a reminder for myself that we'll have to redraft it. I'd say to just wait until then, but I'd like to have our art folks take a look at it and then if we have any changes we can do that in August.

Thanks Joe!

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**From:** Kreye, Joseph  
**Sent:** Friday, June 22, 2012 11:46 AM  
**To:** Bruce, Cory  
**Subject:** RE: Non-Resident Entertainer Tax

Will do. By the way, I can produce a draft for you now, but if Rep. Bies wants to introduce it for next session, I'll have to redraft it after LTSB finishes the session change-over in August.

Joe

**Joseph Kreye**  
**Senior Legislative Attorney**  
Legislative Reference Bureau  
608 266-2263

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**From:** Bruce, Cory  
**Sent:** Friday, June 22, 2012 11:35 AM  
**To:** Kreye, Joseph  
**Subject:** RE: Non-Resident Entertainer Tax

Joe,  
We'd like to have the bill drafted with a new limit of \$7000. Please let me know if you need additional info.

Thanks,  
Cory

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**From:** Kreye, Joseph  
**Sent:** Thursday, June 21, 2012 1:07 PM  
**To:** Bruce, Cory  
**Subject:** RE: Non-Resident Entertainer Tax

Cory,

The requirement that an entertainer post a surety bond with DOR was enacted in 1987. The dollar amount has not been changed since that time. Using an inflation calculator I found online (from the U.S. Dept. of Labor), \$3,200 in 1987 would be approximately \$6,474 in 2012.

Joe

**Joseph Kreye**  
**Senior Legislative Attorney**  
Legislative Reference Bureau  
608 266-2263

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**From:** Bruce, Cory  
**Sent:** Thursday, June 21, 2012 11:27 AM  
**To:** Kreye, Joseph  
**Subject:** RE: Non-Resident Entertainer Tax

Joe,  
Sorry it's taken a while to get back to you. I don't think we're interested in changing the percentage of the amount of the bond, just increasing the limit.  
Do you have any idea when the \$3200 limit was put into place? We're trying to figure out a reasonable limit to raise it to so Garey would like to know how long ago we did that and what it would be today if you adjusted for inflation. Once we know that we'll talk about the limit we want to put into the legislation.

Thanks,  
Cory

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**From:** Kreye, Joseph  
**Sent:** Thursday, May 03, 2012 11:21 AM  
**To:** Bruce, Cory  
**Subject:** RE: Non-Resident Entertainer Tax

OK, I guess that didn't take me as long as I thought.

Under current law, if an entertainer enters into a contract or contracts to perform in this state and the contract or contracts total more than \$3,200 in the taxable year, the entertainer must post a bond with DOR as a guarantee that the entertainer will pay the state taxes incurred related to the performance. The amount of the bond is 6 percent of the total contract price. So if an entertainer is going to make \$3,201 on a performance, he or she has to submit a \$192 bond to DOR no later than 7 days before the performance. (Subsequently, the entertainer will have to file a state tax return and pay taxes on the income, but that would happen regardless of whether he or she is required to post a bond.)

So I can raise the \$3,200 limit so that an entertainer would not have to submit a bond until the total contract price exceeds, for example, \$5,000. Rep. Bies would need to decide, as a policy matter, how high that threshold should be.

I can also adjust the percentage of the amount used to determine the bond if that is consistent with your intent.

Let me know how you want to proceed.

Joe

**Joseph Kreye**  
**Senior Legislative Attorney**  
Legislative Reference Bureau  
608 266-2263

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**From:** Bruce, Cory  
**Sent:** Thursday, May 03, 2012 10:54 AM  
**To:** Kreye, Joseph  
**Subject:** RE: Non-Resident Entertainer Tax

Thank you for your help on both contacts!

Cory

---

**From:** Kreye, Joseph  
**Sent:** Thursday, May 03, 2012 10:52 AM  
**To:** Bruce, Cory  
**Subject:** RE: Non-Resident Entertainer Tax

Hey Cory,

This one will take me a little longer to digest, but either I or Marc Shovers will get back to you.

Joe

**Joseph Kreye**  
**Senior Legislative Attorney**  
Legislative Reference Bureau  
608 266-2263

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**From:** Bruce, Cory  
**Sent:** Thursday, May 03, 2012 10:28 AM  
**To:** Kreye, Joseph  
**Subject:** Non-Resident Entertainer Tax

Joe,  
Here's the other concern that came up in the meeting my boss had with the Arts folks from our district. They feel the \$3200 level for the Non-Resident Entertainer Tax is too low and should be raised. The director of the Peninsula Music Festival said that at times this tax discourages folks from participating because they might not make much more than that, then they have the hassle of having to pay taxes and file in Wisconsin. She believes the level was set MANY years ago and has never been increased.

I'm not sure if you handle this since it's sort of income tax related, but figured you'd point me in the right direction.

Thanks,  
Cory

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**From:** Sharon Grutzmacher [<mailto:sharon@musicfestival.com>]  
**Sent:** Tuesday, April 24, 2012 11:08 AM  
**To:** Bruce, Cory  
**Subject:** Thank you



Hi Gory:

Nice talking to you. Here is the booklet provided by the state of Wisconsin. Let me know if you have any other questions. I appreciate the attention to this matter.

**Parisi, Lori**

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**From:** Sivret, Tyler  
**Sent:** Tuesday, November 13, 2012 11:29 AM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB -0543/1 Topic: Surety bond posted by an entertainer

Please Jacket LRB -0543/1 for the ASSEMBLY.

# Memo

To: Representative **Bies**

(The Draft's Requester)

**Per your request ... the attached fiscal estimate was prepared for your un-introduced 2013 session draft.**

**LRB Number: LRB-0543**

**Version: “/1”**

**Fiscal Estimate Prepared By: (agency abbr.) DOR**

**If you have questions about the enclosed fiscal estimate, you may contact the state agency representative that prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.**

**Entered In Computer And Copy Sent To Requester Via E-Mail: 03 / 14 / 2013**

**\* \* \* \* \***

**To: LRB – Legal Section PA's**

**Subject:** *Fiscal Estimate Received For An Un-introduced Draft*

**> If re-drafted ...** please insert this cover sheet and attached early fiscal estimate into the drafting file “guts” ... after the draft's old version (the version that this fiscal estimate was based on), and just before re-draft of the updated version.

**> If introduced ...** please make sure the attached fiscal estimate is for the **current version** ... write the draft's new introduction number below and give this packet to Mike (or Lon) to re-process the fiscal estimate (w/intro. number included).

**THIS DRAFT WAS INTRODUCED AS: 2013** **AB 107**

**Barman, Mike**

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**From:** Barman, Mike  
**Sent:** Thursday, March 14, 2013 3:14 PM  
**To:** Rep.Bies  
**Cc:** Bruce, Cory  
**Subject:** LRB-0543/1 (un-introduced) (FE by DOR - attached - for your review)



TM-0543\_DOR.P...

**Drafter:** JK  
**Subject:** Tax, Business – miscellaneous

**Mike Barman** (Lead Program Assistant)

State of Wisconsin - Legislative Reference Bureau - Legal Section - Front Office

1 East Main Street, Suite 200, Madison, WI 53703

(608) 266-3561 / [mike.barman@legis.wisconsin.gov](mailto:mike.barman@legis.wisconsin.gov)